

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

H.B. 277  
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH10120-MCf-113

Short Title: Small Business Income Tax Relief. (Public)

Sponsors: Representatives K. Hall, Saine, Barnes, and Henson (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROVIDE INCOME TAX RELIEF FOR SMALL BUSINESSES.

3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** G.S. 105-153.5(b) is amended by adding a new subdivision to read:

5 "(12) An amount not to exceed fifty thousand dollars (\$50,000) of net business  
6 income the taxpayer receives during the taxable year if the taxpayer is a small  
7 business. In the case of a married couple filing a joint return where both  
8 spouses receive or incur net business income, the maximum dollar amounts  
9 apply separately to each spouse's net business income, not to exceed a total of  
10 one hundred thousand dollars (\$100,000). For purposes of this subdivision,  
11 the term "business income" does not include income that is considered passive  
12 income under the Code and the term "small business" is a business whose  
13 annual receipts, combined with the annual receipts of all related persons, for  
14 the taxable year did not exceed one million dollars (\$1,000,000)."

15 **SECTION 2.** This act is effective for taxable years beginning on or after January 1,  
16 2019.

